




KI : Some LICs and NEEs are experiencing rapid economic development which leads to significant social, environmental and cultural change

Key terms	Definitions
Industrial structure	Relative proportion of the workforce in different sectors of the economy
International aid	Money, goods and services given by the government of one country or a multilateral institution to help the quality of life and economy of another country
Transnational Corporations (TNCs)	A company that has operations in more than one country

NIGERIA CASE STUDY

Location and importance of the country regionally and globally	<ul style="list-style-type: none"> West Africa, North of the Equator Largest population of Africa – 184 million NEE – 3rd largest manufacturing economy in Africa Largest economy in Africa By 2020 should be one of the top economies Youthful educated population – skilled workforce for manufacturing and services
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Wider political, social, cultural and environmental context	<ul style="list-style-type: none"> 1960 Gained independence from the UK 1967 – 1970 Civil war followed by 28 years of military government. 1998 - Now stable democratic government 500 ethnic groups – South is Christian (Igbo and Yoruba), North is Muslim (Hausa). Some ethnic boundaries broken by rapid urbanisation South is Tropical Rainforest (Cocoa and oil palm crops) and North is Savanna (Peanuts grown) Issues in the north with extremist group Boko Haram – want Sharia law and own government. 17,000 dead.
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Changing industrial structure. Balance between different sectors of the economy	<ul style="list-style-type: none"> 60% live on less than US\$1.25 a day. Growing inequality GDP 2006 – US\$110 billion, GDP 2015 US\$560 billion Money earned from Services 52%, Manufacturing 7%, Oil and gas 14%, Agriculture 22%, Other 5% Nollywood – 3rd largest film industry in the world 70% employed in agriculture Rapid increase in telecommunications and retail Manufacturing increasing – processed food, leather, textiles, soap, detergents
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How manufacturing can simulate economic development	<ul style="list-style-type: none"> Oil found in 1950s. 14% GDP, 95% export earnings Produces 2.7% of world's oil which is higher quality than oil from the Middle East Overdependence on oil – prices fell in 2015 Oil processing led to chemical by products leading to growth in chemical industries such as soaps, detergents and plastics Dangote Cement (Nigerian company) has expanded into 13 countries in Africa All led to increased standard of living, FDI, jobs, taxes, multiplier effect, manufactured goods. Less imports needed and Nigerian TNCs have more influence in the region
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Advantages and Disadvantages of TNCs	<ul style="list-style-type: none"> Advantages : investment, jobs, expertise / skills, international links, new technology, multiplier effects, export revenues Disadvantages : leakage of profits, lower wage levels, environmental damage, can withdraw investment, exert political influences, poor working conditions, management jobs go to foreigners
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GCSE The Changing Economic World Case Studies Knowledge Organiser

Role of TNCs in relation to industrial development	<ul style="list-style-type: none"> Niger delta – oil. Royal Dutch Shell, Exxon Mobil, Chevron, Total and Agip Platforms and pipelines installed. Oil shipped to Europe and USA to be refined. Most profit leaked Nigerian National Petroleum Corporation – joint ventures with TNCs 40 TNCs – mostly UK, Europe and USA Damage to wetland and coastal ecosystems which people rely on
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TNC Examples	<p>UNILEVER</p> <ul style="list-style-type: none"> Anglo Dutch company – food, drinks and home items Since 1923 been making palm oil based soap and employs 1500 people High standards of employment and environmental stewardship Promoted improvements in health care, education and water supply <p>SHELL OIL</p> <ul style="list-style-type: none"> Anglo Dutch company. Huge investment 65000 directly employed and 250,000 indirectly employed 91% of contracts with Nigerian companies Issues – oil spills, oil flares (toxic fumes), militant groups disrupting supplies, oil theft and sabotage
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Changing political and trading relationships within the wider world	<ul style="list-style-type: none"> Part of OPEC, African Union, UN, OCOWAS (Economic Community of West African States) and CEN-SAD (Community of Sahel Saharan States) Trading relationship with UK for over 300 years. Exports : oil, gas, rubber, cocoa and cotton Imports : machinery, chemicals, transport equipment, phones, rice and wheat Main imports from China and there is growing Chinese investment in Nigeria China Railway Construction Corporation building US\$12 billion 1200km railway China invested US\$10 billion in exploration and drilling a new oil field South Africa investing in business and banking American companies investing and operating here too – GE, Walmart, Microsoft
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Environmental impacts on economic development	<ul style="list-style-type: none"> Oil pollution Air pollution Water pollution Loss of habitats Destruction of forests Chemical waste Desertification Traffic congestions Squatter settlements Waste disposal
Effects of economic development on quality of life for the population	<ul style="list-style-type: none"> Rated 152/187 countries in terms of HDI. Improving and is increasing quickly New jobs mean more income and increased quality of life Large differences between north and south; rural and urban; educated and uneducated Lack of access to safe water, sanitation and reliable electricity supply Oil wealth not used effectively. Overdependence on oil may become an issue as oil prices fall and new technology such as fracking develop Key challenges include continuing stable government, pollution of the Niger delta, tsetse fly affecting commercial livestock, desertification, religious conflict between north and south, Boko Haram extremist group





African Union




International Aid – types and impacts on the receiving country	<ul style="list-style-type: none"> ODA – Official Development Assistance – can be multilateral (World Bank / IMF) or bilateral (from one country) Voluntary aid – can be short term emergency relief or long term development assistance 2009 – 2013 : 60 million mosquito nets distributed UK gives US\$300 million year of aid Receives 4% of aid given to Africa Most successful projects are community based Problems include government corruption, government diverting money, donors have political influence, promoting commercial self interest
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